

CANADA • NOVA SCOTIA
Crop Insurance

ANNUAL REPORT

1987-1988

**THE
NOVA SCOTIA
CROP & LIVESTOCK
INSURANCE COMMISSION**



**Agriculture
Canada**

Nova Scotia



**Province of
Nova Scotia**



His Honour
The Honourable Alan R. Abraham, C.D.
Lieutenant Governor of Nova Scotia

Dear Sir:

I have the honour to transmit herewith the Nineteenth Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the fiscal year ended March 31, 1988.

I am, Your Honour,

Yours very truly,

A handwritten signature in black ink, appearing to read 'R. Bacon', with a large, sweeping loop at the end.

Roger S. Bacon

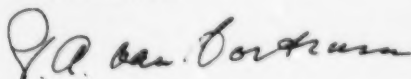


The Honourable Roger Bacon
Minister of Agriculture & Marketing

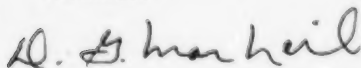
Sir:

Presented herewith is the Nineteenth Annual Report of the Nova Scotia Crop and Livestock Insurance Commission for the fiscal year ended March 31, 1988.

Respectfully submitted,
Nova Scotia Crop &
Livestock Insurance
Commission

A handwritten signature in dark ink, appearing to read "P.A. van Oostrum". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

P.A. van Oostrum
Chairman

A handwritten signature in dark ink, appearing to read "D.G. MacNeil". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

D.G. MacNeil
Manager



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SUMMARY OF THE 1987 CROP YEAR

The 1987 winter was very consistent with a considerable amount of snow from late December through to mid March. Temperatures remained cold throughout January and February but with more sunlight than normal.

The first couple of weeks in April were seasonal. Potatoes were planted the week of April 13th. Heavy frost occurred the last week of April and again on May 15th. A temperature of minus 6° C was reported on May 20th in Debert. All seeding was completed by the Final Seeding Dates.

The weather started to warm up in the middle of June and remained dry throughout the summer. It was the driest season since the Crop Insurance Program was implemented in 1969.

A Crop Insurance Plan for processing potatoes was made available for the 1987 crop year.

The National Crop Insurance Conference was hosted by Nova Scotia and was held in Halifax from July 6-9, 1987. Approximately eighty people attended representing all provinces as well as Federal Crop Insurance staff. Everyone was pleased with the program content and the hospitality that was extended.

The first fall frost was reported on September 28th. The soybean crop was once again a dismal failure.

The 1987 crop year, which at times gave indications of problems (either because of spring frost or drought conditions) could be termed a "good crop year."

FINANCIAL PARTICIPATION

Administration

The Government of Nova Scotia contributed all of the administration costs totalling \$271,496 plus the reinsurance premium which amounted to approximately \$41,255 for 1987-1988.

Premium

The Government of Canada provides financial assistance to the Canada-Nova Scotia Crop Insurance program by contributing 50 percent of the total premium required each year. The Federal Government's contribution totalled approximately \$271,075 for 1987-1988.

OBJECTIVES AND RESPONSIBILITIES

1. The Crop & Livestock Insurance Commission's mandate is to make available to Nova Scotia farmers, a Crop and Livestock Insurance program that will be of assistance in times of low crop yields, or in the event of dairy livestock losses. This provides a stabilizing effect for the farmer and the agricultural community in general.
2. The administration of the Crop & Livestock Insurance program is the responsibility of the Commission under the authority of the Minister of Agriculture and Marketing. It is subject to the provisions of the Nova Scotia Crop & Livestock Insurance Act and the Crop Insurance Agreement between the Governments of Nova Scotia and Canada.
3. The Crop & Livestock Insurance Commission is responsible for the administration of Crop & Livestock Insurance plans in Nova Scotia. This includes the functions of sales, promotion, underwriting, field inspections, adjusting and payment of claims, accounting and yield records.

INSURANCE PLANS IN FORCE

- | | |
|-----------------|---------------------------------------|
| 1. Spring Grain | — oats, barley, wheat and mixed grain |
| 2. Winter Grain | — rye, wheat |
| 3. Tree Fruit | — apples, pears, tree protection |

- 4. Tobacco
- 5. Corn — silage, grain
- 6. Peas & Beans — processing
- 7. Lowbush Blueberries
- 8. Strawberries
- 9. Forage
- 10. Dairy Livestock
- 11. Soybeans
- 12. Potato — processing

STATISTICAL SUMMARY
PERIOD ENDING: March 31, 1988

PLAN NAME	NO. CONT.	NO. INS.	NO. GROWERS	NO. ACRES	TOTAL COVERAGE	TOTAL PREMIUM	NO. CLAIMS	TOTAL INDEMNITY
Spring Grain	190	134	77	O- 1,321.90	\$ 85,741.10	\$ 8,955.88	7	\$ 2,155.31
			83	B- 2,092.98	178,308.72	20,150.18	6	2,541.26
			20	W- 571.97	56,111.65	6,054.34	1	197.55
			16	M- 254.44	19,193.10	1,793.74		
			8	H- 67.73	4,966.96	514.32	1	108.12
			204	4,309.02	344,321.53	37,468.46	15	5,002.24
Tree Fruit Tree Endor.	77 14	75 14	75	A- 5,016.50	3,230,043.29	155,427.50	14	53,010.60
			8	P- 100.00	75,789.39	3,428.74	3	3,657.65
			14	T- 106,309.00	1,676,513.00	6,706.08		
			97	5,116.50	4,982,345.68	165,562.32	17	56,668.25
Tobacco	14	13	13	559.49	1,616,942.47	46,764.88		
Pea & Bean	25	34	18	P- 1,408.50	492,413.67	56,627.58	10	39,127.41
			16	B- 1,334.50	425,855.56	48,973.40	3	1,203.54
			34	2,743.00	918,269.23	105,600.98	13	40,330.95
Forage 87/88	8	8	8	176.00	8,000.00	1,120.00	1	1,100.00

STATISTICAL SUMMARY
PERIOD ENDING: March 31, 1988

Corn	71	46	46	2,372.52	368,596.79	41,016.06	4	6,241.13
Blueberries	131	114	114	3,604.10	824,925.97	41,760.26	11	14,177.38
Strawberries	18	15	15	62.47	79,972.09	5,975.72	1	179.60
Winter Grain	24	24	23 W- 2 R-	1,925.02 37.02	454,397.15 3,579.59	29,361.40 240.98	3 1	1,177.97 253.81
			25	1,962.04	457,976.74	29,602.38	** 4	1,431.78
Soybeans	11	6	6	65.55	9,860.00	1,133.06	6	4,931.26
Potatoes	14	14	14	1,290.30	729,354.65	72,935.52	3	28,717.54
CROP SUMMARY	597	497	576	22,260.99	10,340,565.15	548,939.64	75	158,780.13
LIVESTOCK SUMMARY	305	305	305	# Animals 25,410	26,741,350.00	39,104.26	3	3,200.00
				TOTALS	\$37,081,915.15	\$588,043.90	78	\$161,980.13

* Claims paid on Forage for 1986-1987 crop year

** Claims paid on Winter Grain for 1986-1987 crop year

SUMMARY OF CROP INSURANCE PLANS
(1969-1987 Crop Years inclusive)

PLANS	NO. YEARS	NO. CLAIMS	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
Spring Grain	19	849	\$ 518,452	\$ 439,867	0.85
Corn	17	342	584,357	684,736	1.17
Tree Fruit	18	254	1,134,005	1,504,122	1.33
Tree Rider	4	1	31,893	2,943	0.12
Winter Grain	18*	152	234,490	126,415	0.54
Tobacco	17	14	502,832	86,241	0.17
Strawberries	14	74	108,112	109,072	1.00
Blueberries	15	217	401,523	195,619	0.49
Peas & Beans	16	360	1,559,332	1,389,882	0.89
Forage	10*	94	41,419	35,262	0.85
Soybeans	2	11	4,721	12,060	2.55
Potatoes	1	3	72,935	28,717	0.39
		2,371	\$5,194,071	\$4,614,936	0.89

* Does not include Summary of 1987-1988 due to claims pending after March 31, 1988.

**OPERATIONS SUMMARY OF CROP INSURANCE YEARS
(1969-1987 Fiscal Years inclusive April 1-March 31)**

CROP YEARS	NO. CONTRACTS	TOTAL COVERAGE	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
1987-1988	597	\$10,340,565.00	\$548,940.00	\$ 158,780.00	0.29
1986-1987	730	10,179,980.00	495,952.00	1,391,647.00	2.81
1985-1986	730	9,825,538.00	449,233.00	506,714.00	1.33
1984-1985	740	9,671,713.00	447,710.00	130,249.00	0.29
1983-1984	775	8,772,994.00	441,213.00	443,804.00	1.00
1982-1983	760	6,675,736.00	449,121.00	125,953.00	0.28
1981-1982	751	5,851,383.00	401,675.00	222,576.00	0.55
1980-1981	666	4,367,861.00	312,813.00	199,141.00	0.63
1979-1980	695	4,007,142.00	297,463.00	302,169.00	1.01
1978-1979	781	3,752,752.00	287,315.00	140,318.00	0.48
1977-1978	770	3,453,011.00	261,308.00	252,676.00	0.96
1976-1977	601	2,785,882.00	224,369.00	90,866.00	0.40
1975-1976	563	2,285,874.00	198,925.00	168,151.00	0.84
1974-1975	560	2,029,282.00	164,811.00	234,230.00	1.42
1973-1974	492	1,747,875.00	94,735.00	246,874.00	2.60
1972-1973	392	1,562,590.00	79,343.00	75,826.00	0.95
1971-1972	347	766,303.00	31,789.00	61,022.00	1.91
1970-1971	346	882,644.00	31,937.00	32,643.00	1.02
1969-1970	309	337,423.00	17,700.00	11,449.00	0.64

Since the Program's implementation in 1969, for every dollar collected in premium from the farmer and the Federal Government's contribution, \$0.89 has been paid out in claims.

SUMMARY OF DAIRY LIVESTOCK INSURANCE PLAN
(April 1, 1978–March 31, 1988)

YEARS	NO. INSURED HERDS	NO. INSURED CATTLE	TOTAL PREMIUM	CLAIMS PAID	LOSS RATIO
1987–1988	305	25,410	\$ 39,104.26	\$ 3,200.00	0.08
1986–1987	297	24,538	38,936.11	17,593.05	0.45
1985–1986	269	22,662	39,106.13	36,775.90	0.94
1984–1985	219	18,263	42,030.80	14,459.00	0.34
1983–1984	209	18,037	43,820.40	3,400.00	0.77
1982–1983	205	17,253	42,423.00	21,133.16	0.50
1981–1982	249	20,480	53,326.15	16,120.35	0.30
1980–1981	284	22,817	77,919.61	53,089.50	0.68
1979–1980	403	29,491	86,731.88	60,501.10	0.70
1978–1979	352	26,121	59,198.14	31,744.50	0.54
		TOTAL	\$522,596.48	\$258,016.56	0.49

Since the Program was implemented in 1978, for every dollar collected from the insured farmer, \$0.49 has been paid out in claims.

DAIRY LIVESTOCK INSURANCE CLAIMS SUMMARY
(April 1, 1987–March 31, 1988)

INSURABLE DISEASES	NO. CLAIM ANIMALS	TOTAL CLAIMS PAID
1. Shipping Fever	3	\$3,200.00
2. Reportable Diseases	0	0
3. Infectious Bovine Rhinothracheitis	0	0

CLAIM SUMMARY RE: DAIRY LIVESTOCK INSURANCE PLAN
(April 1, 1978–March 31, 1988)

DISEASE	NO. CLAIM ANIMALS	TOTAL CLAIMS PAID
1. Acute Mastitis*	106	\$104,291.40
2. Shipping Fever	106	129,422.96
3. Infectious Bovine Rhinothracheitis	23	22,591.50
4. Brucellosis	2	810.70

* this peril is no longer covered

ACKNOWLEDGEMENTS

The Nova Scotia Crop & Livestock Insurance Commission expresses its appreciation to the following for the cooperation and assistance they have provided:

- Agriculture Canada—Crop Insurance Division
- N.S. Department of Agriculture & Marketing
- Other Provincial Crop Insurance Agencies
- The Commission's Field and Clerical Staff

Over the past nineteen years, the Commission has received cooperation from farmers and commodity groups in Nova Scotia. At this time the Commission wishes to recognize and express appreciation for the assistance received.

CONCLUSION

The past year was a good one from the Nova Scotia Crop & Livestock Insurance Commission's standpoint. In the majority of cases the insured crops produced average or above average yields which was subsequently reflected in the amount of claims paid. The same may be said for the Dairy Livestock Insurance plan. Although there were grave concerns concerning the drought conditions during the months of July and August, the crops survived nonetheless.

A Crop Insurance plan for processing potatoes was introduced with fourteen growers being insured and coverage on approximately 1,300 acres.

The N.S. Crop & Livestock Insurance Commission hosted the 1987 National Crop Insurance Conference in Halifax. Assistance was provided by the Department of Agriculture and Marketing and Agriculture Canada. The Conference was very successful as was heard from all reports.

A new concept was introduced under the Crop Insurance program in 1987, namely a surcharge/discount system. This system will be expanded to all Crop Insurance plans in 1988.

Revisions will also be made to the Dairy Livestock Insurance plan and in particular to the Loss of Income Benefit in 1988.

COMMISSION OFFICERS

Board Members

P. van Oostrum, Chairman—Canard, Kings County
J. Johnson, Vice-Chairman—Dept. of Agriculture and Marketing
W. McCurdy, Member—Old Barns, Colchester County
D. Dickinson, Member—Southampton, Cumberland County
W. Dykstra, Member—Scotsburn, Pictou County
W. Swetnam, Member—Sheffield Mills, Kings County

Principal Officers

D.G. MacNeil	— Manager
K.G. Bartlett	— Secretary
B.A. Pratt	— Accounting Clerk
B.M. Mahoney	— Field Representative
R.F. Saunders	— Regional Field Representative

Auditor

Auditor General—Province of Nova Scotia

Solicitor

J.R.M. Akerman, Q.C.

Field Staff

K. Morton
Dr. F. Forsyth
H. Bosveld

PROVINCE OF NOVA SCOTIA

NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION

FINANCIAL STATEMENTS

MARCH 31, 1988

AUDITOR'S REPORT

To the Chairman and Members of the
Nova Scotia Crop and Livestock
Insurance Commission and to the
Minister of Agriculture and Marketing

I have examined the balance sheet of the Nova Scotia Crop and Livestock Insurance Commission as at March 31, 1988, and the statement of revenues and expenses of the Commission and the statement of continuity of the Crop and Livestock Insurance Fund for the year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly, included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1988 and the results of its operations for the year then ended in accordance with the accounting policies stated in Note 2 to the financial statements, applied on a basis consistent with that of the preceding year.

O.P. Cormier, F.C.A.
Auditor General

Halifax, Nova Scotia
May 16, 1988

**PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
BALANCE SHEET
AS AT MARCH 31, 1988**

ASSETS		
Current	1988	1987
Cash	\$ 7,629	\$ 447
Short term investments	2,395,758	1,889,354
Accounts receivable—premiums	10,560	6,991
Accrued interest receivable	93,819	300
	<u>\$2,507,766</u>	<u>\$1,897,092</u>

LIABILITIES AND FUND BALANCES

Current		
Unearned premiums	\$ 45,805	\$ 36,400
Insurees' deposits	3,868	3,709
Provision for payment of unsettled indemnities	4,301	17,100
	<u>53,974</u>	<u>57,209</u>

Long Term

Advance from Province of Nova Scotia	<u>230,000</u>	<u>230,000</u>
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Crop and Livestock Insurance Fund

Crop insurance	1,892,538	1,343,370
Livestock insurance	331,254	266,513
	<u>2,223,792</u>	<u>1,609,883</u>
	<u>\$2,507,766</u>	<u>\$1,897,092</u>

APPROVED ON BEHALF OF THE COMMISSION

P. A. van Boven
Chairman

William Dykstra
Member

**PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
STATEMENT OF CONTINUITY
CROP AND LIVESTOCK INSURANCE FUND
FOR THE YEAR ENDED MARCH 31, 1988**

	Crop Insurance	Livestock Insurance	TOTALS	
			1988	1987
Balance, begin- ning of year	\$1,343,370	\$266,513	\$1,609,883	\$2,238,163
Add: Net income (loss)	<u>549,168</u>	<u>64,741</u>	<u>613,909</u>	<u>(628,280)</u>
Balance, end of year	<u>\$1,892,538</u>	<u>\$331,254</u>	<u>\$2,223,792</u>	<u>\$1,609,883</u>

PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED MARCH 31, 1988

	Crop Insurance	Livestock Insurance	TOTALS	
			1988	1987
Revenues				
Insurance premiums (Schedule A)	\$542,150	\$37,970	\$580,120	\$ 532,018
Interest income	162,079	29,958	192,037	245,775
Miscellaneous	284	13	297	350
	<u>704,513</u>	<u>67,941</u>	<u>772,454</u>	<u>778,143</u>
Expenses				
Indemnity claims (Schedule A)	155,265	3,200	158,465	1,406,423
Administrative expenses (Schedule B)	253,713	17,783	271,496	252,038
Bad debt expense	80	-	80	-
	<u>409,058</u>	<u>20,983</u>	<u>430,041</u>	<u>1,658,461</u>
Income (deficiency) before Govern- ment contribution	295,455	46,958	342,413	(880,318)
Contribution by the Province of Nova Scotia (Note 3)	<u>253,713</u>	<u>17,783</u>	<u>271,496</u>	<u>252,038</u>
Net income (loss)	<u>\$549,168</u>	<u>\$64,741</u>	<u>\$613,909</u>	<u>\$(628,280)</u>

**PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1988**

1. Authority

The Nova Scotia Crop and Livestock Insurance Commission was established pursuant to Section 2(1) of the Nova Scotia Crop and Livestock Insurance Act. The function of the Commission is to administer plans of crop and livestock insurance, and conduct programs relating to these plans.

2. Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles modified by the policy of charging furniture and equipment purchases to expense in the year of acquisition.

3. Government Contributions

The Department of Agriculture and Marketing pays the administrative expenses of the Commission. This amount is shown as a contribution by the Province of Nova Scotia on the statement of revenues and expenses.

4. Crop Re-Insurance Fund

The Province is party to an agreement with the Government of Canada, whereby, the Province makes advances to a fund administered by the Government of Canada called the Crop Re-Insurance Fund of Canada for Nova Scotia. The purpose of this Fund is to assist the Province of Nova Scotia when there is a requirement by the Province to make advances to the Commission for the payment of crop insurance indemnities. The balance of the non-interest bearing advances on hand in this Fund belonging to the Province as at March 31, 1988 was \$476,717. Transactions concerning this Fund are recorded by the Province and not in the accounting records of the Commission.

**PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
PREMIUM REVENUE AND INDEMNITY CLAIMS
FOR THE YEAR ENDED MARCH 31, 1988**

SCHEDULE A

	Premium Revenue			Indemnity Claims	
	Farmer	Federal	1988	1987	1987
Crop Insurance					
Spring grain	\$ 18,734	\$ 18,734	\$ 37,468	\$ 4,994	\$ 20,507
Winter grain	8,634	8,634	17,268	(968)	8,255
Tree fruit	85,647	85,647	171,294	56,662	778,680
Tobacco	23,382	23,382	46,764	-	9,926
Corn	20,508	20,508	41,016	6,241	228,893
Peas & beans	52,800	52,800	105,600	40,331	286,644
Blueberries	20,880	20,880	41,760	14,177	23,590
Strawberries	2,988	2,988	5,976	180	26,706
Forage	467	467	934	-	1,100
Soy beans	567	567	1,134	4,931	7,129
Potatoes	36,468	36,468	72,936	28,717	-
	<u>271,075</u>	<u>271,075</u>	<u>542,150</u>	<u>155,265</u>	<u>1,391,430</u>
Livestock Insurance					
Dairy	37,970	-	37,970	3,200	14,993
Total	<u>\$309,045</u>	<u>\$271,075</u>	<u>\$580,120</u>	<u>\$158,465</u>	<u>\$1,406,423</u>

SCHEDULE B

**PROVINCE OF NOVA SCOTIA
NOVA SCOTIA CROP AND LIVESTOCK INSURANCE COMMISSION
ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED MARCH 31, 1988**

	1988	1987
Salaries and wages	\$191,832	\$181,563
Travel	24,432	22,648
Professional and special services	6,200	14,028
Supplies and services	26,518	16,320
Other	22,514	16,554
Equipment purchases	—	925
	<u>\$271,496</u>	<u>\$252,038</u>